

---

STATUTORY INSTRUMENTS

---

**2005 No. 3374**

**The Loan Relationships and Derivative Contracts  
(Disregard and Bringing into Account of Profits  
and Losses) (Amendment No. 2) Regulations 2005**

**Amendment to the Loan Relationships and Derivative Contracts (Disregard and Bringing into Account of Profits and Losses) Regulations 2004**

13.—(1) Amend regulation 12 as follows.

(2) In paragraph (1) at the end insert “This is subject to paragraph (4).”.

(3) In paragraph (2)(a) after “relationship” insert “and credits and debits in respect of discounts, premiums, fees and other incidental costs to the extent that these amounts are not within section 92A(3) of the Finance Act 1996.”.

(4) After paragraph (2) insert—

“(3) Where there is a change of accounting policy in drawing up a company’s accounts from one period of account to the next affecting the amounts to be brought into account for accounting purposes in respect of the company’s loan relationships, the amounts prescribed in paragraphs (1) and (2) that would otherwise be brought into account for the purposes of Chapter 2 of the Finance Act 1996 shall not be brought into account.

(4) This regulation does not apply to a company which is a party to a debtor relationship in a case where—

- (a) the company is carrying on a banking business or a business consisting wholly or partly in dealing in securities, and
- (b) it entered into the debtor relationship in the ordinary course of that business.”.